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SUBJECT: Deputy Secretary Negroponte's October 18, 2007 conversation with Iraqi Deputy Prime Minister Barham Salih

- 11. (U) Classified by:, Name, Deputy Executive Secretary, S/ES, Department of State. Reason 1.4.(d)
- 12. (U) October 18, 2007; 4 P.M; Washington, D.C..
- 13. (C) Participants:

U.S.

The Deputy Secretary
Amb. David Satterfield, S/I
Amb. Lawrence Butler, NEA
Aaron Jost, D
Andrea Tomaszewicz (NEA Notetaker)

Iraq
Barham Salih, Deputy Prime Minister

Barham Salih, Deputy Prime Minister Samir Sumaida'ie, Iraqi Ambassador to the U.S. Ahmed Salman, Advisor to the Deputy Prime Minister.

- 14. (C) SUMMARY: In a wide-ranging October 18 discussion with the Deputy Secretary, Iraqi Deputy Prime Minister Barham Salih cited gains in Iraq's economy and security situation but dangerous political stagnation on the national front. Salih expressed frustration with Deputy President Tariq al-Hashemi and raised the possibility of engaging other Sunnis directly for support and government participation. Salih noted that Iraq's leaders could get the hydrocarbons law package passed without the Sunni concurrence, but only with negative political consequences. Salih did not promise further action on the PKK issue beyond re-closing front offices, but agreed a GOI-GOT dialogue would be helpful. END SUMMARY.
- 15. (C) Deputy Secretary Negroponte, joined by S/I Ambassador Satterfield and NEA Iraq DAS Ambassador Butler, welcomed Deputy Prime Minister Barham Salih October 18, 12007. Salih, accompanied by Iraqi Ambassador Samir Sumaida'ie and Adviser Ahmed Salman, had just arrived in Washington for the upcoming semi-annual World Bank/IMF meetings. While this was Salih's first meeting with the Deputy Secretary in his current position, the two men shared memories from Negroponte's tenure as Ambassador to Iraq, which facilitated a wide-ranging, frank discussion, covering the good, the bad, and the non-committal.

THE GOOD,

16. (C) Salih said the economic and .security situations had markedly improved over the last few months. Ticking off the lowered inflation rate and increased economic growth and 2007 budgetary spending, the Deputy PM promised to, do even better in 2008. Oil restructuring and banking reforms will be the major foci next year, he said. The private sector also seems to be growing in at least parts of the country, including Najaf and Baghdad. Salih raised

the U.S. military's push for the GOI to raise its budget for security forces to \$10B. Salih said he was able to convince Finance Minister Bayan Jabr to increase the budget from some \$7B to the current approximately \$8B, but the GOI could afford no more. He said Iraq did not have the money for this security expense and needed the Money. elsewhere.

THE BAD,

- 17. (C) Salih was glum on the political situation, telling the Deputy Secretary that he thinks it worse now than, six months ago. He stopped short of criticizing Prime Minister Nuri al-Maliki by simply commenting that the PM has a very tough job. Nevertheless, Salih stated that thenational government was dysfunctional and that there is no real power sharing. He complained that Deputy President Tariq al-Hashemi has refused to support Maliki or "allow him any success." Salih asserted that al-Hashemi needs to get the message that progress is not for Maliki, but for Iraqis, adding that such a message could come from other countries, as well.
- 18. (C) Speaking about the hydrocarbons law package, Salih. again fingered al-Hashemi as the spoiler who had gone back on his original vote of support. "Maliki, Barzani, and Talabani" have resolved issues, he said. The GOI could go.

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ahead and pass the legislation without Sunni support and the Kurds would be happy. Salih was reluctant to go forward without Sunni support, however, predicting that while it might generate good news stories for a week, the long-term political effects of overriding the Sunni objections would be extremely negative, domestically and in the Arab world.

19. (C) Regarding the larger Iraqi Sunni community, Salih admitted the need for outreach about government participation. He surmised that all the support and economic and security progress of the past year, such as in al-Anbar, could be undone if the Sunnis were not brought into the national political discussion. Ambassador Sumaida'ie, playing analyst to Salih-the-Nationalist, opined that the first step should be getting the Shia to reduce their power domination; the Sunnis will then adjust. The Kurds, as well, need to be told to participate for Iraqi unity, the Iraqi Ambassador added.

AND THE NON-COMMITTAL

110. (C) The Deputy Secretary raised the issue of Turkey's recent parliamentary authorization to pursue the PKK into Iraqi territory, stating that the GOT and the GOT needed a

discrete dialogue of appropriate officials. [NOTE: This discussion took place before the Oct 21 PKK attack on Turkish forces. END NOTE.] Salih felt the GOT was pushing the GOI toward a fight with the PKK and he was adamant that such a conflict would not happen. When it was noted that some PKK front offices that the GOI had closed had been reopened, Salih asked for the USG to pass information on their locations to the GOI. Salih stood by, the COI's recent actions toward the PKK and did not promise anything further although he agreed to the utility of a GOI-GOT dialogue.